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SPECIAL ESTIMATE

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THE PROBABLE CONSEQUENCES OF CERTAIN POSSIBLE US COURSES OF ACTION WITH RESPECT TO COMMUNIST CHINA AND KOREA



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SPECIAL ESTIMATE

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SE-20

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Final Copy

The text of the basic estimate is identical with the advance copy distributed on 17 December. The accompanying TABS have been added since that distribution.

The intelligence organizations of the Departments of State, the Army, the Navy, and the Air Force participated with the Central Intelligence Agency in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 15 December 1951.

TOP SECRET

70

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THE PROBABLE CONSEQUENCES OF CERTAIN POSSIBLE US COURSES OF ACTION WITH RESPECT TO COMMUNIST CHINA AND KOREA

THE PROBLEM

To estimate (a) the effect on Communist China of certain possible US courses of action, and (b) the Communist reaction to these courses of action.

ESTIMATE

1. Expansion of the Korean War by Imposition of a UN Embargo on Shipping and Exports to Communist China

a. A UN embargo on shipping and exports to Communist China, if effective, could reduce Communist Chinese seaborne imports substantially. However, if exports were permitted to Port Arthur and Dairen, and if exports from Hong Kong and Macao were not embargoed, the effect of the embargo would be largely nullified. In addition, to avoid large loopholes, the embargo would have to include (1) restrictions on exports to non-cooperating nations of goods which might be transshipped to Communist China; (2) the cancellation of charters and the prohibition of the sale of merchant ships to Soviet Bloc and other non-cooperating countries; and (3) movement regulations such as refusal of clearance, blacklisting, and other pressures applied on a world-wide basis.

b. Although these controls, if effectively implemented, would be sufficient to intensify the existing serious economic strains in Communist China, their impact would be long term and would not, in themselves, force the Chinese Communists to end the Korean war or threaten the stability of the Chinese Communist regime.

c. It must be expected that the Soviet Bloc states would not respect this embargo and that some other states would give only nominal cooperation. The payment of premiums by Communist China would stimulate evasion of the embargo. While it is impossible to state with precision the importance of these loopholes, they would serve to diminish the desired effects of the embargo.

d. The Communists could further partially overcome the effect of these measures by employing more of their ships in the China trade, even though such dislocation of Soviet Bloc shipping might impose serious problems for the Soviet Bloc. The USSR would also endeavor to expand overland shipments to Communist China.

e. Therefore, a UN embargo on exports and shipping to Communist China is unlikely, by itself, to reduce Communist Chinese imports substantially.

2. Expansion of the Korean War by Naval Blockade of Communist China

a. Effective interdiction of Communist Chinese seaborne imports would require a naval blockade (including an embargo) of all Chinese Communist seaports, including Port Arthur and Dairen. It would be essential to

prevent the use of Hong Kong and Macao as transshipment points for trade with Communist China.

b. Such interdiction would intensify the existing serious economic strains in Communist China, but would not in itself force the Chinese Communists to end the Korean war or threaten the stability of the Chinese Communist regime.

c. The Chinese Communists would be unable to counter such interdiction effectively, but would probably employ mine warfare against the blockading ships and might employ aircraft and submarines.

d. The USSR would endeavor to offset the economic effects of the embargo and blockade by expanding overland shipments to Communist China. The USSR would refuse to recognize the legality of the blockade. It would probably undertake to escort Soviet shipping into Port Arthur and Dairen and might undertake to escort Soviet shipping into other blockaded ports. It might resort to the covert use of submarines and mines against blockading ships. Enforcement of the blockade might well create incidents which would heighten international tensions, but we believe the Soviet reaction to such incidents alone would not result in the USSR initiating general war.

3. Limited Expansion of UN Air Operations in Order to Protect UN Forces in Korea from the Consequences of the Growing Communist Air Threat

a. Sustained UN air attacks against Communist aircraft and air bases in Manchuria in the immediate vicinity of the Yalu River could seriously impair the Communist capability to extend their air superiority over larger areas in Korea and thus to threaten the position of UN forces in Korea by air attacks.

b. The Chinese Communists would react by dispersing their aircraft and bringing to bear their maximum air defense capability. They would also attempt to increase their air action against UN forces, installations, and ships in the Korean area.

c. The USSR probably would not openly invoke the Sino-Soviet Treaty, but would prob-

ably react by committing additional Soviet forces to the air defense of Manchuria and North Korea despite the continuing risk of general war.

4. Further Expansion and Intensification of UN Military Operations in the Korean War

a. Sustained and unrestricted UN air attack on Communist military targets in Manchuria and North Korea, combined with large-scale UN ground operations in North Korea could seriously impair the Communist military capability to maintain their position in Korea.

b. We believe that the Chinese Communists would react initially by attempting to increase air action against UN forces, installations, and ships in the Korean area.

c. The USSR would probably react immediately by giving support short of commitment of its own ground forces and short of overt commitment of Soviet air forces to combat over UN held territory, but including the commitment of additional elements of its own air forces to action in and over Manchuria and North Korea.

d. If the Communists should find that these measures were proving insufficient to permit them to maintain themselves militarily in Korea, the USSR would probably intensify its aid. This aid might well include the introduction of "volunteer" forces. It might even include the employment of Soviet forces to such an extent that a *de facto* local war between the US/UN and the USSR would exist in the Far East. At every stage, however, the Kremlin would probably endeavor to keep open the possibility of ending the conflict by political negotiation if the global interests of the USSR would be served by disengagement.

5. Expansion of the Korean War by Employment of Nationalist Military Forces

The Chinese Nationalist Forces could not be effectively used for offensive action against the Chinese Communist mainland unless the present US program for equipping and training these forces were greatly expanded, and unless the US were willing to provide not only

logistic support for an invasion but substantial air and naval support as well. Even so, Chinese Nationalist ground forces could hardly be ready for an invasion operation before mid-1952, and Chinese Nationalist Forces as a whole are not likely to be ready in sufficient strength for a large-scale invasion operation before 1953. Certain small units of the Chinese Nationalist Army are already capable of effective employment in small-scale hit-and-run landing operations. After a lesser amount of preparation the Chinese Nationalist Army could be employed effectively in Korea. Certain selected divisions could be made effective in a relatively short time for rotational service on the Korean peninsula.

6. Expansion of the Korean War by Utilization of Non-Communist Guerrilla Forces Already in China

The Chinese Communists have succeeded in greatly reducing the strength of guerrilla forces throughout China and these forces do not now have a significant operational capability. Even if guerrilla capabilities were developed, the guerrillas could be employed effectively only in conjunction with other courses of action directed against Communist China.

7. Expansion of the Korean War by a Combination of Several Courses of Action Considered Above

a. An intensification of UN operations in Korea and an expansion of the war to include bombardment of Manchuria and an interdiction of Communist China's seaborne imports, if successful, would probably have the following effects on Communist capabilities: (1) the Chinese Communists would be unable to continue large-scale operations in Korea; (2) lines of communication in Manchuria would

be disrupted; (3) Communist China would be forced into an increased dependence on the USSR for military supplies and other critical imports; (4) Chinese Communist capabilities for military operations in Southeast Asia would be reduced substantially; and finally (5) an increase of Soviet commitments in the Far East would reduce Soviet capabilities

b. The USSR would almost certainly expand its aid to Communist China in response to these US courses of action. This aid would probably include increasing commitment of Soviet air defense elements in Communist China and North Korea. If the Communists found that such measures were proving unsuccessful in countering the US effort, the USSR would probably intensify its aid. This aid might well include the introduction of "volunteer" forces. It might even include the employment of Soviet forces to such an extent that a *de facto* war between the US/UN and the USSR would exist in the Far East. At every stage, however, the Kremlin would probably endeavor to keep open the possibility of ending the conflict by political negotiation if the global interests of the USSR would be served by disengagement.

c. It is recognized that precise information on enemy intentions is rarely available and that enemy counteraction under the various circumstances here considered cannot be predicted with complete accuracy. However, all aspects of the Soviet problem considered, we believe it unlikely that the USSR will deliberately choose to precipitate global war because of the implementation of the courses of action examined in this estimate. Nonetheless, the possibility of war by miscalculation cannot be discounted during a period of high international tension such as would result.

TOP SECRET

TAB A

COMMUNIST CHINA'S SEABORNE TRADE

1. During the last half of 1950 Communist China's seaborne imports reached record levels. These imports consisted primarily of raw cotton, chemicals, crude rubber, petroleum products, steel and steel products, metal manufactures, and pharmaceuticals. At least three-fourths of these imports passed through Hong Kong and practically all were carried in non-Communist registered shipping. Seaborne imports into Communist China reached even higher levels during the first half of 1951 and the composition of these imports did not change significantly.
2. During the latter half of 1951 there has been a decline both in seaborne imports into Communist China and in the tonnage of non-Communist registered shipping engaged in trade with Communist China. There are sev-

eral possible reasons for the decline in the seaborne trade of Communist China. Among these are: Western export controls, increased imports from the Soviet Bloc, institution of a system of selective buying by the Chinese Communists and a shortage of foreign exchange resulting from heavy imports in 1950 and the first half of 1951. Information now available does not permit even an approximate estimate of the relative importance of these factors.

3. A part of the decline in the tonnage of non-Communist registered shipping involved in trade with Communist China has been offset by the diversion of Communist Bloc shipping to carrying Communist China's foreign trade. States of the Soviet Bloc are buying or chartering additional ships for use in this trade.

TOP SECRET

4

74

TAB B

COMMUNIST AIR DEFENSE CAPABILITIES IN MANCHURIA

1. Present Chinese Communist air defense capabilities are due directly to Soviet assistance in terms of equipment, operational procedures, training, and, in many cases, the active participation of Soviet personnel. In assessing such capabilities, the following factors are pertinent:

a. *Fighter Aircraft.* Approximately 525 first-line jet fighters of the MIG-15 type are located in the Mukden-Antung area of southern Manchuria. Approximately 225 additional first-line jet fighters, which are now located in the Peiping-Tientsin, Tsingtao, Shanghai, and Canton areas, could be deployed for operations in the Mukden-Antung area.

b. *Early Warning.* A radar defense system has been installed and set in operation, with the assistance of Soviet radar engineers, technicians, and advisers, which is believed to give practically continuous early-warning coverage from the Manchurian border south to Canton. A visual system supplements the electronic early-warning system.

c. *Antiaircraft Artillery.* Manchurian air defenses include a substantial number of anti-aircraft artillery pieces as well as large numbers of automatic weapons. The majority of these are Soviet manufactured 85 mm., 37 mm., and 12.7 mm. pieces. Reports continue to indicate that the total AAA strength is

being increased by shipments of Soviet equipment. Heaviest concentrations are located in the Mukden area, Shanghai, and in the vicinity of Canton. AAA defenses appear to be employed for the protection of the industrial area, harbor facilities, airfields, and major junctions in the communications and supply systems. Reports indicate that the AAA defenses include gun-laying radar.

d. *Aircraft Control.* The Communist air defense system in Manchuria has the capability for limited ground-controlled interception.

2. Communist air defense capabilities in Manchuria are estimated to be as follows:

a. In the Dairen-Mukden-Antung-Harbin area of southern and eastern Manchuria, the Chinese Communists possess a major air defense capability against daylight bombing missions. At night their air defense capabilities would be considerably less.

b. Communist air defense capabilities in southern and eastern Manchuria are such that considerable losses of US aircraft could be expected, at least initially, during a campaign of systematic air attacks. Under conditions of prolonged air attack, the ability of the Chinese Communists to maintain effectiveness would be in direct proportion to the amount of support which the USSR would render.

TAB C

CHINESE NATIONALIST ARMED FORCES

1. The Chinese Nationalist Army has a strength of 455,000 personnel organized into 38 infantry divisions, 4 armored groups, 1 paratroop group, 3 fort commands, 5 independent regiments, and 2 independent battalions. The bulk of these forces is disposed on Formosa; some combat elements are located on Matsu, Quemoy, and the Pescadores Islands. The Nationalist Army has no significant number of trained reserves, and under present circumstances its mobilization capacity is negligible. The mass induction of Formosan youths would not be feasible unless the US greatly expanded its proposed MDAP. Even in this event, the dependability and effectiveness of Formosan troops would be questionable. At the present time, the Nationalist Army is short of some types of ammunition, arms, and other equipment, and the materiel that is available is heterogeneous and poorly maintained. Because of these materiel deficiencies, the lack of reserve manpower, and the poor command structure (including the lack of interservice coordination), the combat effectiveness of the Nationalist Army is poor.

2. The Chinese Nationalist Air Force consists of 8 combat groups possessing 384 tactical aircraft. Of this total, however, only 121 aircraft are serviceable for combat. These consist of 35 light bombers and 86 piston fighters predominantly of World War II design. Because of the lack of spare parts and improper maintenance facilities, the combat effectiveness of this force is very poor. Under conditions of sustained combat, particularly if opposed by jet aircraft, its capabilities would be reduced to a negligible factor in a day or two. In spite of these difficulties, the Chinese Nationalist Air Force is believed to have the organizational structure and necessary personnel to absorb and utilize the additional

equipment, including jet aircraft, necessary to make it an effective force.

3. The Chinese Nationalist Navy consists of approximately 150 miscellaneous craft, the largest of which are 7 destroyer-type vessels. Under optimum conditions and provided that there were no air or naval opposition, the Nationalists would be capable of transporting up to two divisions in assault by means of orthodox landing craft and following up with five or six divisions lifted by other shipping. While the Nationalist Navy could not, by itself, effectively blockade the Chinese mainland, it could give limited support to a blockade.

4. The Chinese Nationalist Forces could not be effectively used for offensive action against the Chinese Communist mainland unless the present US program for equipping and training these forces were greatly expanded, and unless the US were willing to provide not only logistic support for an invasion but substantial air and naval support as well. Even so, Chinese Nationalist ground forces could hardly be ready for an invasion operation before mid-1952, and Chinese Nationalist Forces as a whole are not likely to be ready in sufficient strength for a large-scale invasion operation before 1953. However, certain small units of the Chinese Nationalist Army are already capable of effective employment in small-scale hit-and-run landing operations.

5. In a relatively short time certain selected divisions of the Chinese Nationalist Army could be made effective for rotational service on the Korean peninsula. The Chinese Nationalist Army as a whole could be employed effectively in Korea after a lesser amount of preparation than would be required for a large-scale invasion operation of the Chinese mainland.

TAB D

ESTIMATE OF THE PRESENT STRENGTH AND CAPABILITIES OF ANTI-COMMUNIST GUERRILLAS IN CHINA

Their Strength and Location

The maximum total number of effective guerrillas throughout all China which can with any certainty be said to exist at the present time is approximately 175,000. Dormant or potential guerrillas exist in unknown numbers, but the utility of this category is and probably will remain small pending all-out war or revolution in China.

Active guerrilla forces are located for the most part in inaccessible areas—mountainous regions and on Nationalist-held offshore islands. Principal regions of activity continue to be the Pearl River and Canton area, the Kwangtung-Fukien border, the Kwangsi-Kweichow border, Szechwan, the Chekiang coast, southwestern Yunnan, and scattered areas in the Mongol and Moslem northwest.

Their Physical Composition and Condition

The term "guerrillas" is an elastic one since these resistance forces are heterogeneous in nature and vary greatly in composition from one unit to another. Generally speaking, guerrillas fall into the following categories: (a) ex-Nationalist forces, some of whom profess allegiance, but most of whom owe no allegiance, to Taiwan; (b) discontented landlords and peasants; (c) bandits; (d) members of traditional secret societies, and (e) minority racial and religious groups. The most active and effective units are those in categories (a) and (e).

Guerrilla forces suffer from a lack of central direction and coordination, from a relative lack of organization, quite often from lack of knowledge of proper guerrilla warfare tactics, from serious deficiencies in arms and ammunition, and, perhaps most importantly, from an almost total lack of communication facilities.

In addition, guerrilla forces suffer from a lack of adequate food, clothing, and medical supplies.

Their Motivation and Allegiance

5. No single political program unites or inspires the guerrillas. Economic considerations generally outweigh political, and the basic motivating force behind guerrilla activity at the present time is the struggle for existence and self-preservation.
6. Despite Nationalist and independent claims, the Chinese guerrillas are likely for the most part to follow whatever leader and whatever political group can support and maintain them.
7. Such organization and centralized direction as does exist is primarily that now being exercised by Taiwan. The Chinese Nationalist guerrilla effort, however, remains largely ineffectual because of the hindrances of internal Chinese Nationalist politics.
8. Independent elements continue to claim a substantial guerrilla potential in Kwangsi and Kwangtung. It is believed that the claims of one of these elements to sizeable guerrilla assets in being are valid, but this group does not have the resources to maintain itself without outside support.

Their Continuing Decline in Strength and Effectiveness

Chinese Communist countermeasures against dissident elements have been most successful; and, with the further consolidation of control by Peiping and the forming by Peiping of an effective anti-guerrilla militia throughout China, guerrilla strength and activity under present circumstances will probably continue to decline.

Q. The perhaps surprisingly low figure of only 175,000 guerrillas should not be ascribed wholly to the successes of the Chinese Communist anti-guerrilla program. This low figure also reflects more accurate US knowledge concerning anti-Communist resistance in China than was available when earlier estimates were prepared.

Their Present Capabilities

11. Anti-Communist guerrillas have at the present time the capability for:

- (a) Sporadic raids;
- (b) Occasional sabotage operations;
- (c) Raids, feints, and diversions against the mainland from the Nationalist-held offshore islands;
- (d) Providing intelligence concerning Communist China; and,

(e) Providing a potential nucleus for a resistance movement in mainland China.

12. The guerrillas at the present time do not have the capability to:

- (a) Delay or disrupt the movement from one front to another of the Chinese Communist armies;
- (b) Seriously interdict Chinese Communist lines of communications or logistic support;
- (c) Attract to their ranks substantial numbers of defectors from the Communists;
- (d) Significantly aid military operations should a Nationalist invasion be launched in the near future.

13. Guerrilla capabilities are unlikely to increase without sizeable outside support and a revitalization of the Chinese Nationalists.